



January 10, 2025 – Friday

## Economy

### India's economy likely to grow 6.6% in 2025, 6.7% in 2026: UN report

The Indian economy is expected to grow by 6.6 per cent in 2025 and 6.7 per cent in 2026, supported by solid private consumption and investment growth, according to the United Nations (UN) flagship report, World Economic Situation and Prospects 2025, released on Thursday. Keeping its 2025 growth forecast unchanged from its mid-2024 estimates, the UN report said, "In India, the public sector continues to play a pivotal role in funding large-scale infrastructure projects, physical and digital connectivity, and social infrastructure, including improvements in sanitation and water supply. Strong investment growth is expected to continue through 2025."

[https://www.business-standard.com/economy/news/india-s-economy-likely-to-grow-6-6-in-2025-6-7-in-2026-un-report-125010900910\\_1.html](https://www.business-standard.com/economy/news/india-s-economy-likely-to-grow-6-6-in-2025-6-7-in-2026-un-report-125010900910_1.html)

### Govt seeks suggestions to boost FDI inflows, may consider policy tweaks

The Central government has asked industry associations, legal players and regulatory representatives to suggest ways to further improve the business climate for overseas investors to boost the flow of foreign direct investment (FDI) -- which has been on a decline for the last three years. The Department for Promotion of Industry and Internal Trade (DPIIT) on Wednesday held a meeting with industry bodies CII, FICCI, ASSOCHAM, and representatives from the Reserve Bank of India to discuss norms governing inbound investments and to come up with ways to increase overseas equity flow into the country.

[https://www.business-standard.com/economy/news/dpiit-seeks-suggestions-to-boost-fdi-may-consider-tweaks-125010901075\\_1.html](https://www.business-standard.com/economy/news/dpiit-seeks-suggestions-to-boost-fdi-may-consider-tweaks-125010901075_1.html)

### Rural consumption will increase but urban consumption may slowdown further in FY26: Report

India's economy is navigating a phase of subdued demand as growth in key sectors slows down. Multiple dynamics impact exports, consumption cycles, and income growth, pointing to a challenging outlook for FY26 says a report by Nuvama. The report identifies four factors--wealth effect, incomes, leverage, and fiscal transfers--as key drivers of consumption cycles.

<https://economictimes.indiatimes.com/news/economy/indicators/rural-consumption-will-increase-but-urban-consumption-may-slowdown-further-in-fy26-report/articleshow/117079653.cms>

### Broad-based corporate capex recovery unlikely in FY26: India Ratings

India Ratings on Thursday said that any broad-based or strong recovery in corporate capital expenditure was unlikely in the upcoming financial year 2026 (FY26) due to uncertainty of domestic and external demand. The uncertainty is adversely affecting the overall corporate sector capex. Interest rates on credit are not the primary deterrent to decisions about capital expenditure, said Soumyajit Niyogi, director, core analytical group, Ind-Ra, in a webinar on the credit market outlook. However, capex in pockets and sectors like cement, new age investment like data centre-energy transmission, logistics, metal sector will continue.

[https://www.business-standard.com/companies/news/corporate-capital-expenditure-recovery-ruled-out-in-fy26-india-ratings-125010901115\\_1.html](https://www.business-standard.com/companies/news/corporate-capital-expenditure-recovery-ruled-out-in-fy26-india-ratings-125010901115_1.html)

## Finance

### India's central bank begins unwinding curbs on NBFCs

The Reserve Bank of India has started to ease curbs on non-banking financial companies (NBFCs) after they improved their compliance following a series of supervisory restrictions. High interest rates and tighter regulations have been cited as contributors to weak demand and a slowdown in India's economic growth, including by the federal finance ministry in a recent report. The Indian central bank also got a new chief in December with Sanjay Malhotra taking over from Shaktikanta Das.

<https://economictimes.indiatimes.com/industry/banking/finance/indias-central-bank-begins-unwinding-curbs-on-nbfc/articleshow/117078214.cms>

### Government to soon launch new credit guarantee scheme for MSME sector up to ₹100 crore

Financial Services Secretary M Nagaraju on Thursday said the government would soon launch a new credit guarantee scheme for the MSME sector covering loans up to ₹100 crore. The scheme is expected to be placed before the Union Cabinet soon for its approval.

<https://www.thehindubusinessline.com/economy/policy/government-to-soon-launch-new-credit-guarantee-scheme-for-msme-sector-up-to-100-crore/article69079756.ece>

### RBI's new Guv initiates review of inflation, growth forecasting tools

India's new central bank governor Sanjay Malhotra has initiated a review of the Reserve Bank of India's inflation and growth forecasting tools to minimise projection errors, four sources said. Malhotra, who took charge last month, is asking the RBI's internal teams to include new datasets, analysis and projections in their inflation and growth forecasts, sources aware of the central bank's thinking said. None of the sources wished to be identified as they are not allowed to speak with the media. The RBI did not immediately respond to a Reuters' email seeking comment.

[https://www.business-standard.com/finance/news/rbi-s-new-guv-initiates-review-of-inflation-growth-forecasting-tools-125010900473\\_1.html](https://www.business-standard.com/finance/news/rbi-s-new-guv-initiates-review-of-inflation-growth-forecasting-tools-125010900473_1.html)

### Lending rose faster than deposits in the December 27 fortnight

Lending rose faster than deposits in the last fortnight of 2024 with fortnightly growth in a year when credit and deposits have not moved in tandem and banks struggling to raise deposits to meet credit demand. While credit grew by 11.16 percent year-on-year, deposits increased by 9.8 percent as of December 27, according to the latest figures released by the Reserve Bank of India, released on Thursday.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/lending-rose-faster-than-deposits-in-the-december-27-fortnight/articleshow/117091575.cms>

### Recovery agents are in demand as banks' unsecured loan stress rises

With a rise in stress in banks' retail lending business, primarily unsecured loans, there is an increasing demand for collection and hence recovery agents. In addition, banks are also increasingly deploying sales staff for recovery. These activities are mostly outsourced by commercial banks. In July 2024, the total strength of outsourced staff in the BFSI (banking, financial services, and insurance) space was 77,000, out of which 6,000 were recovery agents. By December 2024, the number of recovery agents had grown by almost 50 per cent. Out of 82,000 total outsourced staff as of the end of December, 8,800 were recovery agents, according to data from TeamLease Services.

[https://www.business-standard.com/finance/news/recovery-agents-are-in-demand-as-banks-unsecured-loan-stress-rises-125010901107\\_1.html](https://www.business-standard.com/finance/news/recovery-agents-are-in-demand-as-banks-unsecured-loan-stress-rises-125010901107_1.html)

### ARCs open to acquiring non-performing MFI loans, but only at right price

With increasing stress in the microfinance institution (MFI) segment and banks looking to offload non-performing portfolios, asset reconstruction companies (ARCs) believe these assets hold limited value. However, these loans could be worth acquiring if sold at the right price, particularly on a cash-to-security receipts (SRs) basis rather than a full cash basis. Industry-wide stress in the microfinance sector has built up due to unchecked credit growth and multiple loan disbursements to the same customers, resulting in overleveraging among borrowers.

[https://www.business-standard.com/finance/news/arcs-open-to-acquiring-non-performing-mfi-loans-but-only-at-right-price-125010900993\\_1.html](https://www.business-standard.com/finance/news/arcs-open-to-acquiring-non-performing-mfi-loans-but-only-at-right-price-125010900993_1.html)

#### **E-way bills in December at second highest level in two years, shows data**

The E-way bills, or electronic permits, generated by businesses for transporting goods within and across states, touched their second-highest level in December in 24 months, growing 17.6 per cent year-on-year to reach 112 million, according to data released by the Goods and Services Tax Network (GSTN) portal. This marked a significant increase from November's five-month low of 101.8 million. E-way bills are mandatory for the movement of consignments worth more than Rs 50,000 and are, therefore, an early indicator of demand and supply trends in the economy. This often reflects in macroeconomic indicators with a lag.

[https://www.business-standard.com/industry/news/e-way-bills-in-december-at-second-highest-level-in-two-years-shows-data-125010901252\\_1.html](https://www.business-standard.com/industry/news/e-way-bills-in-december-at-second-highest-level-in-two-years-shows-data-125010901252_1.html)

### **Industry**

#### **Levy duty on broader industry categories to cut tax rates: Price Waterhouse**

The Budget could consider levying customs duty on the basis of broader categories of the industry to reduce the number of tax rates, Price Waterhouse & Co LLP said on Thursday. The 2024-25 Budget had announced that a comprehensive review of the Customs Duty rate structure will be undertaken over the next six months to rationalise and simplify it for ease of trade, removal of duty inversion and reduction of disputes.

[https://www.business-standard.com/markets/news/levy-duty-on-broader-industry-categories-to-cut-tax-rates-price-waterhouse-125010900959\\_1.html](https://www.business-standard.com/markets/news/levy-duty-on-broader-industry-categories-to-cut-tax-rates-price-waterhouse-125010900959_1.html)

#### **Appliances industry seeks 2nd round of PLI, rationalisation of taxes**

The appliances and consumer electronics industry on Thursday urged the government to bring the second round of the production-linked incentive (PLI) scheme for products like compressors and motors and rationalise taxes and tariffs on imports. It has also asked for reductions in tariffs on imports, which will help to make the products competitive in the global market, said industry body Consumer Electronics & Appliances Manufacturers Association (CEAMA).

[https://www.business-standard.com/industry/news/appliances-industry-seeks-2nd-round-of-pli-rationalisation-of-taxes-125010901326\\_1.html](https://www.business-standard.com/industry/news/appliances-industry-seeks-2nd-round-of-pli-rationalisation-of-taxes-125010901326_1.html)

#### **Government plans incentives for battery component manufacturing to boost electric vehicle industry**

The government is considering giving incentives for battery component manufacturing to support an expanding electric vehicle industry and meet growing energy storage demand. The Ministry of Heavy Industries is in the process of identifying locally-produced battery components that need financial support, ET has learnt. This could be on the lines of subsidies offered under current production-linked incentives schemes for certain industries.

<https://economictimes.indiatimes.com/industry/renewables/government-plans-incentives-for-battery-component-manufacturing-to-boost-electric-vehicle-industry/articleshow/117095077.cms>

#### **MoD to reform procurement policy in 6-12 months: Defence Secretary**

India's defence procurement policy, criticised for delays and inefficiencies, will be reformed within six months to a year, Defence Secretary Rajesh Kumar Singh said on Tuesday. His remarks follow the Ministry of Defence's (MoD's) decision to observe 2025 as the "Year of Reforms" and its December announcement that the Defence Acquisition Procedure (DAP) 2020 is "likely to undergo a complete revamp" in 2025. Singh described the policy as "broken" and acknowledged that the system had often failed to meet timelines, stressing the need to "call a spade a spade" and adopt a different approach. He said reforms would focus on streamlining timelines and fixing the procurement process to address long-standing issues.

[https://www.business-standard.com/external-affairs-defence-security/news/mod-to-reform-procurement-policy-in-6-12-months-defence-secretary-125010901034\\_1.html](https://www.business-standard.com/external-affairs-defence-security/news/mod-to-reform-procurement-policy-in-6-12-months-defence-secretary-125010901034_1.html)

#### **Surpassed Japan, now aim is to become no 1 in auto segment: Gadkari**

Union minister Nitin Gadkari on Thursday highlighted the growth of the country's auto sector in the past few years, during which it became the third biggest player in the segment, and said the aim is to become number one. "This is the automobile industry, which is giving maximum revenue as a part of GST to the state government and Bharat Sarkar," he added.

[https://www.business-standard.com/industry/auto/surpassed-japan-now-aim-is-to-become-no-1-in-auto-segment-gadkari-125010901005\\_1.html](https://www.business-standard.com/industry/auto/surpassed-japan-now-aim-is-to-become-no-1-in-auto-segment-gadkari-125010901005_1.html)

### **India's tech ecosystem shines with 13 new VC-backed IPOs and 29 profitable unicorns: Report**

India's start-up ecosystem has solidified its position as a global powerhouse in 2024, with the country leading the global IPO (initial public offer) market by hosting 327 IPOs, including 13 from the tech sector, pointed out an Orios Venture Partners report.

<https://www.thehindubusinessline.com/economy/indias-tech-ecosystem-shines-with-13-new-vc-backed-ipos-and-29-profitable-unicorns-report/article69080748.ece>

## **Agriculture**

### **Climate change puts India's rice and wheat output at risk of 6-10% decline**

India's rice and wheat production is expected to decline by 6-10 per cent due to climate change, warned senior officials from the Ministry of Earth Sciences and India Meteorological Department. The projection, reported by the PTI, underscores growing concerns about food security in a country where millions rely on affordable grains. According to the report, global warming is weakening Western Disturbances including weather systems that bring winter rains to northwest India. This could lead to severe water shortages for billions living in the Himalayan region and surrounding plains, according to M Ravichandran, Secretary, Ministry of Earth Sciences.

[https://www.business-standard.com/economy/news/climate-change-india-rice-wheat-production-decline-forecast-125010900875\\_1.html](https://www.business-standard.com/economy/news/climate-change-india-rice-wheat-production-decline-forecast-125010900875_1.html)

### **Digital IDs must for new PM Kisan beneficiaries**

The agriculture ministry has made it mandatory for the new applicants for the direct cash transfer programme PM Kisan to obtain digital IDs linked to land records. The move is to ensure that only genuine land-owning farmers get the benefits and simplify the process of registration for various other farmer welfare programmes.

<https://www.financialexpress.com/policy/economy-digital-ids-must-for-new-pm-kisan-beneficiaries-3710526/>

## **Energy**

### **India added 24.5 GW solar and 3.4 GW wind capacity in 2024, sets new records**

India added approximately 24.5 GW of solar capacity and 3.4 GW of wind capacity in 2024 (January to December), according to JMK Research. This represents a more than twofold increase in solar installations and a 21% rise in wind installations compared to 2023. Notably, the solar capacity added in 2024 is the highest recorded in any single year so far.

<https://economictimes.indiatimes.com/industry/renewables/india-added-24-5-gw-solar-and-3-4-gw-wind-capacity-in-2024-sets-new-records/articleshow/117085849.cms>

## **Telecom**

### **Telecom companies seek easing of 'stringent quality of service' norms**

Continuing to push back against the stringent quality of service (QoS) norms brought in by the Telecom Regulatory Authority of India (Trai), telcos have informed the Department of Telecommunications (DoT) that collection and submission of monthly and site-to-cell-level data should be eased, officials and industry sources said. In place since October last year, the QoS norms call for data for network availability, call drop, voice packet drop rate in uplink and downlink, among other parameters, to be collected at the cell level. The norms currently include network availability, accessibility of connection establishment, ease of connection maintenance, and point of interconnection congestion, with a series of sub-parameters. Trai has set minimum benchmarks for these over a one-month period in a fixed telecom circle.

[https://www.business-standard.com/industry/news/telcos-seek-easing-of-new-quality-of-service-norms-125010901149\\_1.html](https://www.business-standard.com/industry/news/telcos-seek-easing-of-new-quality-of-service-norms-125010901149_1.html)

## States

### Uttar Pradesh govt plans e-commerce booster shot for the MSME sector

To propel the growth of micro, small and medium enterprises (MSMEs), and enhance their competitiveness, the Uttar Pradesh (UP) government is planning to interconnect 155 industrial clusters with a dedicated e-commerce (e-com) platform. This strategic move is expected to benefit over 50,000 industrial and manufacturing units of these clusters, administered by the UP State Industrial Development Authority (UPSIDA). The dedicated e-com portal is being developed by the UPSIDA, and will connect raw material suppliers, manufacturers, and finished goods vendors operating out of these 155 clusters. The e-market is a step towards realising the 'Make in UP' vision.

[https://www.business-standard.com/industry/sme/uttar-pradesh-govt-plans-e-commerce-booster-shot-for-the-msme-sector-125010900779\\_1.html](https://www.business-standard.com/industry/sme/uttar-pradesh-govt-plans-e-commerce-booster-shot-for-the-msme-sector-125010900779_1.html)

### Odisha planning ₹4,000-crore ship recycling hub near Paradip port, says top official

The Odisha government will support the development of a ₹4,000-crore ship recycling hub near the Paradip port and plans to establish two new ports in the state with private sector participation, a top official said. The government is also open to investments in setting up railway tracks to aid evacuation of minerals and coal, Hemant Sharma, principal secretary (industry department) of Odisha, told ET. He said hydrogen manufacturing facilities in the state are expected to start production by 2026 end.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/odisha-planning-4000-crore-ship-recycling-hub-near-paradip-port-says-top-official/articleshow/117094227.cms>

## Healthcare

### Budget 2025: Tax cuts, sops on Pharma Inc's wish list

Pharmaceutical and hospital sector executives are requesting higher public healthcare spending, R&D incentives, and tax exemptions on life-saving drugs in the upcoming Union budget. They want more oncology drugs to be tax-exempt and lower customs duties on essential medical equipment. Executives also propose incentives for AI research and standardization of GST rates on medical devices.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/budget-2025-tax-cuts-sops-on-pharma-incs-wish-list/articleshow/117094506.cms>

## External

### No pre-emptive tariff overhaul

The government has decided to bide time and take a reactive – rather than pre-emptive – approach to the impending tariff threat from the incoming Donald Trump administration in the US, according to official sources. It is unlikely that the FY26 Budget, to be presented in Parliament on February 1, would undertake any anticipatory customs duty restructuring to bring down the tariff levels in response to Trump's charges of India being a "high tariff" nation, these sources said.

<https://www.financialexpress.com/policy/economy-no-pre-emptive-tariff-overhaul-3710577/>

### Amid error in gold import figures, Panel formed for accurate data reporting

The government on Thursday formed a committee, comprising officials from commerce and customs, to create a robust mechanism for publishing consistent and accurate data following errors in gold import figures. In a statement, the commerce ministry said that due to the migration of data transmission mechanism from SEZ (special economic zone) to ICEGATE (Indian Customs Electronic Gateway), figures of precious metals needed revision as double counting was noticed.

[https://www.business-standard.com/india-news/amid-error-in-gold-import-figures-panel-formed-for-accurate-data-reporting-125010901290\\_1.html](https://www.business-standard.com/india-news/amid-error-in-gold-import-figures-panel-formed-for-accurate-data-reporting-125010901290_1.html)

### **India-GCC Relations Set for Strategic Boost at Kochi Dialogue 2025**

In a landmark initiative aimed at strengthening ties between India and the Gulf Cooperation Council (GCC), Secretary General of the GCC Jassem Mohamed Al-Budaiwi will attend the Kochi Dialogue 2025, a Track 1.5 diplomacy event scheduled for January 16-17 in Kerala's commercial hub. Key policymakers, business leaders, and diplomats from both regions will convene to explore sustainable solutions to shared challenges in geopolitics, governance, and international trade. With its strategic focus, the event underscores India's growing engagement with the GCC, a bloc pivotal to India's energy security and home to over 8 million Indian expatriates.

<https://www.financialexpress.com/india-news/india-gcc-relations-set-for-strategic-boost-at-kochi-dialogue-2025/3711168/>

### **Govt to sign pact with Mongolia soon in area of geology and exploration**

India is expected to sign a preliminary agreement with Mongolia soon in the area of geology and exploration, a senior Indian government official with direct knowledge of the matter said. Landlocked Mongolia is rich in deposits of copper and coking coal, and India is mostly dependent on imports to meet rising demand for the red metal used in power, construction and electrical vehicles as well as coking coal for steelmaking. "India's cabinet has approved the MoU (memorandum of understanding) and both countries are expected to sign it soon," the source said.

[https://www.business-standard.com/economy/news/govt-to-sign-pact-with-mongolia-soon-in-area-of-geology-and-exploration-125010900491\\_1.html](https://www.business-standard.com/economy/news/govt-to-sign-pact-with-mongolia-soon-in-area-of-geology-and-exploration-125010900491_1.html)

### **US, EU advise Indian exporters to Russia of careful evaluation of products to avoid sanctions**

Indian entities exporting to Russia have been cautioned by the US and the EU to carefully evaluate their exports to ensure that not only the exported items but also their components do not fall in the prohibited category to avoid economic sanctions for supporting Moscow's war in Ukraine, industry sources have said.

<https://www.thehindubusinessline.com/economy/us-eu-advise-indian-exporters-to-russia-of-careful-evaluation-of-products-to-avoid-sanctions/article69080038.ece>